

ORIGINAL



Sheila Stoeller

W-02824A-07-0388

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From: Larry & Tina BLIGH [lbligh@msn.com]
Sent: Thursday, May 15, 2008 9:55 PM
To: Mayes-WebEmail
Subject: ICR Water Users Association
Attachments: ICR Meeting Notice.pdf; LOU.pdf; Settlement Bill Comparison v3.pdf; Settlement Schedules revised 2.pdf

MAY 19 AM 11:16

Arizona Corporation Commission

DOCKETED

MAY 19 2008

Commissioner Mayes,

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| DOCKETED BY | ne |
|-------------|----|

First, I would again like to thank you for your personal involvement in the rate case with the ICR Water Users Association (ICRWUA) currently before the Arizona Corporation Commission (ACC). I believe that without the ACC having taken the position they have on the issues in this case, we, the shareholder/owners, would have been without representation, not have had ability to share our concerns or receive information. It is obvious to many here that there is little, if any, open communication from the existing Board of Directors and it appears questionable what interests they serve.

You very likely have received your copies of the attached Letter of Understanding (LOU) that our ICRWUA Board has negotiated with Harvard/Talking Rock Golf Club (TRGC). The first paragraph, at least for me, indicates where the entire document is headed. After reading the first paragraph, I ask myself the question, why do we need a "special contract" to have ICRWUA put into compliance with Decision 64360? As I know you have heard me say many times, the Decision is clear and concise in its direction and in the conditions for approval. Summing up Decision 64360 in very simple terms, it required that ownership of wells be transferred to ICRWUA and that existing rates and charges be applied in the extension area. With that said, what is the need for a "special contract?" Clearly, the filing of relevant documents with the ACC "...transferring ownership of the wells and related water production facilities..." in my mind should be what the Board should have done over five years ago and should have been working on since receiving their notice of non-compliance on 1/15/08. However, that does not appear to have been the focus of their efforts.

Reading over the LOU, I am outraged that once again our non-profit, member-owned water company is apparently expected and willing to subsidize a for-profit developer. As I have said before, I hold no ill will toward Harvard/TRGC or their development; however, I do not wish to subsidize their venture. The "special contract" pricing found in the LOU and ICRWUA Comparison of Rates (also attached), extends contract pricing to TRGC as well as Talking Rock Development for reserved rights to 525 acre feet of ground water (171,071,775 gallons) each year well below the proposed tariff rates. Just to put this in perspective, using the ICRWUA Comparison of Rates at the Settlement average usage rate of \$3.13 per one thousand gallons, if the average user were to purchase the same amount of water that TRGC wants to reserve and pay \$175,000 for in the first year (which decreases over the life of the contract), it would cost that user \$535,454.65. It is clear to me that the special contract is discounting our non-profit water service something in excess of \$360,000.00.

Also attached to this message is the notice we have just received for the special meeting of members as was ordered by Judge Stern in the 4/16/08 hearing. The meeting is scheduled for 6/3/08 at 7:00 p.m., here in Prescott. I don't know if your busy schedule would allow, but your attendance would certainly be appreciated.

I would again like to thank you for your time and for your continuing efforts with this issue and

5/16/2008

for the service you provide to our State.

Larry & Tina Bligh
13265 N. Iron Hawk Drive
Prescott, AZ 86305
928.776.1937

ICR Water Users Association



NOTICE of SPECIAL MEETING of MEMBERS

A Special Meeting of the Members of ICR Water Users Association will be held on **Tuesday, June 3, 2008 in the Multipurpose Room at Abia Judd Elementary School at 7:00 PM.** The school is located at 1749 Williamson Valley Road, near Iron Springs Rd. All current members and customers of ICR Water Users Association ("ICR") are encouraged to attend.

The purpose of the meeting is to discuss the status of the current rate case before the Arizona Corporation Commission ("Commission"). In addition, we will discuss the terms of the non-binding Letter of Agreement ("LOU") recently entered into between ICR and Talking Rock Golf Club which is intended to address certain disagreements over delivery of water to Talking Rock Golf Club raised in the rate case. A copy of the LOU and related schedules are attached to this Notice. The Board is anxious to answer questions from the members regarding the LOU at the upcoming meeting.

We hope you will make time in your schedules to attend this important meeting.

If you have any questions prior to the meeting, you may contact our Manager, Mr. Bob Busch at 713-0548 or by calling the business office at 583-0741.

BOARD OF DIRECTORS
ICR WATER USERS ASSOCIATION

Letter of Understanding
April 18, 2008

ICR Water Users Association (ICR) and Talking Rock Golf Club, LLC (TRGC) have agreed to work in good-faith towards the prompt negotiation and execution of special contract ("Special Contract") that would govern the parties' prospective relationship and amend and largely supersede all other agreements between the parties. The parties intend to negotiate this contract and seek first the support of ICR's membership and then the Arizona Corporation Commission (ACC). This Letter of Understanding ("LOU") is not intended to be a binding agreement upon the parties. The parties instead intend to negotiate and seek ACC approval of the Special Contract that incorporates the terms and conditions set forth in this LOU.

The parties agree in principle that the final Special Contract, will provide for the following terms and conditions:

- **WELL AND OTHER FACILITIES TRANSFERS:** Two wells, Well No. 1 and Well No. 2, will be transferred to ICR. Well No. 2 will be transferred upon execution of this LOU. Well No. 1 will be transferred following final ACC approval of a Special Contract on terms and conditions mutually acceptable to the parties.
 - TRGC will also agree to pay for the actual costs of purchasing and installing a new pump replacement for Well No. 2, up to a maximum cost of \$50,000. TRGC will provide a 12 month warranty on the new pump.
 - All pending asset transfers to ICR shall be completed within a reasonable period of time following execution of the supply agreement, and ICR shall have discretion to characterize all future conveyances as either AIAC or CIAC.
 - The maximum allowable average air production in Well No. 2, in percent of unit volume of water produced, shall not exceed a mutually agreeable level in light of applicable engineering and regulatory standards and if the maximum allowable average air production exceeds that mutually agreeable level, then TRGC agrees to take such actions as are necessary to reduce the maximum allowable average air production below such level at TRGC's sole cost and expense.
- **DELIVERY:** TRGC shall pay a delivery charge as follows:
 - A fixed annual System Reservation Charge to be paid for Ten (10) years as follows:

- Year One: \$50,000
 - Year Two \$50,000
 - Year Three \$50,000
 - Year Four \$40,000
 - Year Five \$40,000
 - Year Six \$30,000
 - Year Seven \$30,000
 - Year Eight \$20,000
 - Year Nine \$20,000
 - Year Ten \$10,000
- The System Reservation Charge for Year One shall be paid upon issuance of final ACC approval.
- A commodity charge paid per acre foot for any water delivered through ICR's system to the golf course for irrigation purposes, or to the Talking Rock development for construction water to be used by TRGC and/or any of its affiliates.
 - The commodity charge shall be calculated using a mutually agreeable methodology for determining TRGC's actual pro rata share of the pumping, treatment and other well and delivery related operating costs, plus an appropriate reserve margin.
 - In order to fairly and accurately set rates in ICR's pending rate case, the commodity charge for Year One will be set at a level that will generate \$125,000 of commodity charges. Thereafter, the commodity charge shall be calculated in a manner that ensures that TRGC is responsible for no more and no less than its proportionate share of the subject operating costs, plus an appropriate reserve margin.
 - ❖ The "subject" operating costs will be similar to those costs currently shared under the parties' existing agreements, with the notable addition of TRGC also paying a pro rata share of treatment costs and depreciation expense.
- **WATER SUPPLY:** TRGC shall be entitled to a maximum of 525 acre-feet of water per year under the Special Contract, but shall not be required to purchase any minimum amount of water under the agreement. The System Reservation Charge shall apply regardless of the amount of water delivered by ICR during a year in which the charge applies.
 - TRGC shall be entitled to connect any additional well (wells other than Well No. 1, 2 or 3) and/or additional transmission facilities to the ICR Talking Rock system but only upon prior written consent of ICR. ICR shall provide such consent provided that such new well will meet new source approval

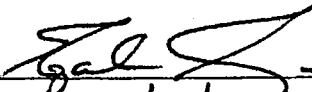
requirements applicable to ICR's use of that well, and provided that any facilities meet all applicable engineering standards and permitting requirements, and do not otherwise unreasonably interfere with ICR's operations.

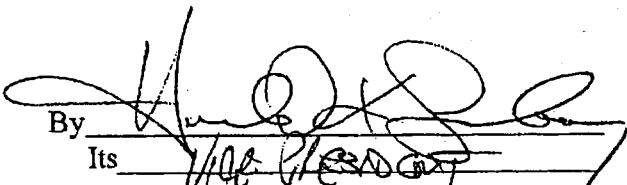
- **WATER USE:** ICR will continue to only use water from the wells transferred by TRGC and its affiliates to serve its customers on its Talking Rock water system and for purposes of the parties' supply agreement.
 - Residential use of water pumped from the three Talking Rock wells shall have priority over all other use classifications; provided, however, that after satisfying residential reasonable demand, ICR will make any and all remaining production capacity available under the supply agreement up to a maximum of 525 acre-feet per year.
 - The parties will work together to ensure that other builders, developers and construction water users in the Talking Rock development obtain water from ICR's system (to the extent such water is reasonably available) in accordance with ICR's tariff of rates and changes.
 - TRGC will continue to use reasonable and necessary measures to maximize the use of reclaimed water for irrigation purposes.
 - TRGC shall complete construction of the additional planned storage pond within a reasonable timeframe after approval of the Special Contract.
- **TERM:** The supply contract shall have a term equal to 35 years.
- **FINANCIAL ASSISTANCE:** In order to help defray ICR's costs to negotiate and obtain approval of a Special Contract, upon execution of a supply agreement, TRGC will pay ICR \$30,000, and upon issuance of final ACC approval of the Special Contract, TRGC shall pay ICR an additional \$50,000.

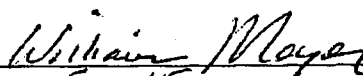
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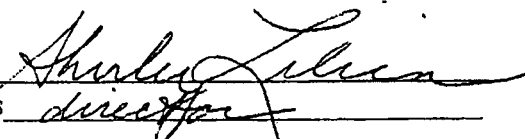
IN WITNESS WHEREOF, the parties hereto have caused this Letter of Understanding to be executed as of the day and year first above written.

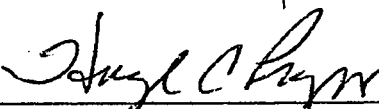
ICR WATER USERS ASSOCIATION

By , Earl Cummings
Its President

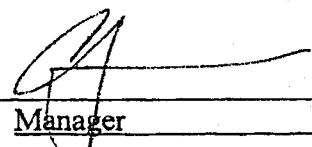
By 
Its VICE PRESIDENT

By 
Its Sec / Treasurer

By 
Its director

By 
Its DIRECTOR

TALKING ROCK GOLF CLUB, LLC

By: 
Its: Manager

ICR Water Users Association
Comparison of Rates

| Line No. | Monthly Minimums Meter Size | Present | Proposed | Settlement | Number of Customers | Average Monthly Bill Comparison | | | |
|----------|--------------------------------|-------------|-------------|-------------|---------------------|---------------------------------|--------------|---------------|---------|
| | | | | | | Avg. Usage | Present | Proposed | % Incr. |
| 1 | 5/8 x 3/4 Inch | \$ 20.00 | \$ 26.20 | \$ 21.60 | 334 | 7,085 | \$ 37.04 | \$ 49.96 | 34.90% |
| 2 | 1 Inch | \$ 20.00 | \$ 39.30 | \$ 32.40 | - | - | - | - | 0.00% |
| 3 | 1 1/2 Inch | \$ 50.00 | \$ 65.50 | \$ 54.00 | 20 | 9,470 | \$ 73.72 | \$ 101.81 | 38.11% |
| 4 | 2 Inch | \$ 100.00 | \$ 131.00 | \$ 108.00 | - | - | - | - | 0.00% |
| 5 | 3 Inch | \$ 160.00 | \$ 209.60 | \$ 172.80 | 10 | 82,182 | \$ 387.31 | \$ 561.69 | 45.02% |
| 6 | 4 Inch | \$ 300.00 | \$ 419.20 | \$ 345.60 | - | - | - | - | 0.00% |
| 7 | 5 Inch | \$ 500.00 | \$ 655.00 | \$ 540.00 | - | - | - | - | 0.00% |
| 8 | 6 Inch | N/A | N/A | N/A | - | - | - | - | 0.00% |
| 9 | Special Contract ² | \$ 1,000.00 | \$ 1,310.00 | \$ 1,080.00 | - | - | - | - | 0.00% |
| 10 | | \$ - | \$ - | \$ 4,166.67 | - | - | - | - | 0.00% |
| 11 | | | | | | | | | |
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| 46 | | | | | | | | | |
| | | | | | | 125,000,000 | \$ 51,122.00 | \$ 51,122.00 | 0.00% |
| | | | | | | | | \$ 175,000.00 | 242.32% |

¹ Current well agreement provides for a reimbursement of operating expenses based on usage from ICR owned wells with no operating margin. Computed annually and tried-up.
² Special contract provides for a \$50,000 annual reservation charge (\$4,166.67 monthly) plus a reimbursement of operating expenses including an operating margin (profit). See LOU for details.
 Commodity charge shown is based on generating \$125,000 annually (computed share of operating costs plus an operating margin). It is assumed ICR pays all power costs.
 The golf course paid approx. \$79,000 of power cost in 2006. See Settlement Schedule C-1. The golf course used approx. 125 million gallons during 2006, thus, a \$1.00 per 1,000 gallons commodity charge.

ICR Water Users Association
Test Year Ended December 31, 2006
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Settlement Schedule A-1
Page 1
Witness: Bourassa

Line
No.

| | | | |
|----|---|----|-----------|
| 1 | Fair Value Rate Base | \$ | (576,986) |
| 2 | | | |
| 3 | Adjusted Operating Income | | 4,498 |
| 4 | | | |
| 5 | Current Rate of Return | | N/A |
| 6 | | | |
| 7 | Required Operating Income Operating Margin = 11.00% | \$ | 47,788 |
| 8 | | | |
| 9 | Required Rate of Return on Fair Value Rate Base | | N/A |
| 10 | | | |
| 11 | Operating Income Deficiency | \$ | 43,290 |
| 12 | | | |
| 13 | Gross Revenue Conversion Factor | | 1.0000 |
| 14 | | | |
| 15 | Increase in Gross Revenue | | |
| 16 | Requirement | \$ | 43,290 |
| 17 | | | |
| 18 | % Increase over Adjusted Revenues | | 11.07% |
| 19 | | | |
| 20 | | | |

| Customer Classification <u>(Residential Commercial, Irrigation)</u> | <u>Present Rates</u> | <u>Proposed Rates</u> | <u>Dollar Increase</u> | <u>Percent Increase</u> |
|---|--------------------------|---------------------------|----------------------------|-----------------------------|
| 24 5/8 x 3/4 Inch Residential | \$ 148,282 | \$ 174,804 | \$ 26,521 | 17.89% |
| 25 3/4 Inch Residential | - | - | - | 0.00% |
| 26 1 Inch Residential | 15,942 | 18,772 | 2,830 | 17.75% |
| 27 2 Inch Residential | 39,929 | 51,306 | 11,377 | 28.49% |
| 28 Construction Water | 417 | 788 | 371 | 88.92% |
| 29 | | | - | 0.00% |
| 30 Revenue Annualization | 9,738 | 12,032 | 2,295 | 23.57% |
| 31 | | | | |
| 32 Subtotal | \$ 214,308 | \$ 257,703 | \$ 43,394 | 20.25% |
| 33 | | | | |
| 34 Other Water Revenues | 53,403 | 176,502 | 123,099 | 230.51% |
| 35 | | | | |
| 36 | | | | |
| 37 Total of Water Revenues (a) | \$ 267,712 | \$ 434,205 | \$ 166,493 | 62.19% |
| 38 | | | | |

SUPPORTING SCHEDULES:

Rebuttal B-1
Settlement Schedule C-1

ICR Water Users Association
Test Year Ended December 31, 2006
Income Statement

Exhibit
Settlement Schedules C-1
Page 1
Witness: Bourassa

ADJUSTMENT

| Line No. | ADJUSTMENT LABEL--> | 1 Revenues | 2 Remove Golf Course Revenues | 3 Wheeling Charges | 4 Pumping Power Costs | 5 Property Taxes | 6 Revenues from Modified Well Agmt. | 7 Adjusted Results | 8 Required Rate Increase | 9 Required with Rate Increase |
|----------|-----------------------------------|---------------|--|--------------------------|-----------------------------|------------------------|--|--------------------------|-----------------------------------|--|
| 1 | Revenues | | | | | | | | | |
| 2 | Metered Water Revenues | \$ 214,643 | | | | | | \$ 214,643 | \$ 43,290 | \$ 257,933 |
| 3 | Unmetered Water Revenues | | | | | | | | | |
| 4 | Other Water Revenues | 53,403 | (46,944) | (4,957) | | | | 176,502 | | 176,502 |
| 5 | | \$ 268,047 | \$ (46,944) | \$ (4,957) | \$ - | \$ - | \$ 175,000 | \$ 391,146 | \$ 43,290 | \$ 434,436 |
| 6 | Operating Expenses | | | | | | | | | |
| 7 | Salaries and Wages - Employees | | | | | | | | | |
| 8 | Purchased Water | 6,388 | | | | | | 6,388 | | 6,388 |
| 9 | Purchased Power | 16,239 | | | 79,492 | | | 95,731 | | 95,731 |
| 10 | Fuel for Power Production | | | | | | | | | |
| 11 | Chemicals | 2,516 | | | | | | 2,516 | | 2,516 |
| 12 | Water Testing | 4,029 | | | | | | 4,029 | | 4,029 |
| 13 | Repairs and Maintenance | 14,389 | | | | | | 14,389 | | 14,389 |
| 14 | Office Expense | 1,720 | | | | | | 1,720 | | 1,720 |
| 15 | Contractual Services - Accounting | 32,549 | | | | | | 32,549 | | 32,549 |
| 16 | Contractual Services - Legal | 513 | | | | | | 513 | | 513 |
| 17 | Contractual Services - Operations | 86,227 | | | | | | 86,227 | | 86,227 |
| 18 | Contractual Services - Other | | | | | | | | | |
| 19 | Rental of Building/Real Property | 3,600 | | | | | | 3,600 | | 3,600 |
| 20 | Rental of Equipment | | | | | | | | | |
| 21 | Transportation Expenses | | | | | | | | | |
| 22 | Telephone | 751 | | | | | | 751 | | 751 |
| 23 | Insurance | 8,995 | | | | | | 8,995 | | 8,995 |
| 24 | Reg. Comm. Exp. | 20,000 | | | | | | 20,000 | | 20,000 |
| 25 | Bad Debt Expense | | | | | | | | | |
| 26 | Miscellaneous Expenses | 235 | | | | | | 235 | | 235 |
| 27 | Depreciation Expenses | 93,748 | | | | | | 93,748 | | 93,748 |
| 28 | Property Taxes | 11,160 | | | | 4,051 | | 15,212 | | 15,212 |
| 29 | Payroll Taxes | | | | | | | | | |
| 30 | Sales Tax Expense | | | | | | | | | |
| 31 | Income Tax | 45 | | | | | | 45 | | 45 |
| 32 | | | | | | | | | | |
| 33 | Total Operating Expenses | \$ 303,105 | \$ - | \$ - | \$ 79,492 | \$ 4,051 | \$ - | \$ 386,648 | \$ - | \$ 386,648 |
| 34 | Operating Income | | | | | | | | | |
| 35 | Other Income (Expense) | (35,058) | (46,944) | (4,957) | (79,492) | (4,051) | | 4,498 | 43,290 | 47,788 |
| 36 | Interest Income | 180 | | | | | | 180 | | 180 |
| 37 | Other income | 779 | | | | | | 779 | | 779 |
| 38 | Interest Expense | | | | | | | | | |
| 39 | Other Expense | | | | | | | | | |
| 40 | | | | | | | | | | |
| 41 | Total Other Income (Expense) | \$ 959 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 959 | \$ - | \$ 959 |
| 42 | Net Profit (Loss) | \$ (34,099) | \$ (46,944) | \$ (4,957) | \$ (79,492) | \$ (4,051) | \$ 175,000 | \$ 5,457 | \$ 43,290 | \$ 48,747 |
| 43 | | | | | | | | | | |

SUPPORTING SCHEDULES:

Rebuttal C-1
Proforma C-2

RECAP SCHEDULES:

Proforma A-1

ICR Water Users Association
Test Year Ended December 31, 2006
Adjustment to Revenues and Expenses
Adjustment Number 1

Exhibit
Settlement Schedule C-2
Page 1
Witness: Bourassa

Line
No.

| | | | |
|----|--|-----------|-----------------|
| 1 | <u>Remove Golf Course Revenues</u> | | |
| 2 | | | |
| 3 | | | |
| 4 | Golf Course Revenues (Expense Reimbursements and Wheeling Charges) | \$ | 46,944 |
| 5 | | | |
| 6 | | | |
| 7 | Adjustment to Revenues/Expenses | <u>\$</u> | <u>(46,944)</u> |
| 8 | | | |
| 9 | | | |
| 10 | | | |
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ICR Water Users Association
Test Year Ended December 31, 2006
Adjustment to Revenues and Expenses
Adjustment Number 2

Exhibit
Settlement Schedule C-2
Page 2
Witness: Bourassa

| Line No. | | | | |
|-------------|---|----------|-------------------|--|
| 1 | <u>Remove Wheeling Charges For Golf Course Water and Construction Water</u> | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | Golf Course Water Wheeling Charges | | | |
| 5 | Quantity of Water Delivered in acre feet | 383.69 | | |
| 6 | Wheeling Charge per acre foot | \$ 11.59 | | |
| 7 | Total Wheeling Charges | | \$ 4,447 | |
| 8 | | | | |
| 9 | | | | |
| 10 | Construction Water Wheeling Charges | | | |
| 11 | Quantity of Water Delivered in acre feet | 43.99 | | |
| 12 | Wheeling Charge per acre foot | \$ 11.59 | | |
| 13 | Total Wheeling Charges | | \$ 510 | |
| 14 | | | | |
| 15 | Total Wheeling Charges | | <u>\$ 4,957</u> | |
| 16 | | | | |
| 17 | | | | |
| 18 | Adjustment to Revenues/Expenses | | <u>\$ (4,957)</u> | |
| 19 | | | | |
| 20 | | | | |

ICR Water Users Association
Test Year Ended December 31, 2006
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Settlement Schedule C-2
Page 3
Witness: Bourassa

Line
No.

| | | |
|----|---|------------------|
| 1 | <u>Purchased Power Costs Paid By Talking Rock Golf Course</u> | |
| 2 | | |
| 3 | | |
| 4 | TRR Pumping Station | \$ 34,241 |
| 5 | TRR Well Field | 38,480 |
| 6 | Double Adobe Station | 6,771 |
| 7 | | |
| 8 | Total Power Costs Paid By Golf Course | <u>\$ 79,492</u> |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | Adjustment to Revenues/Expenses | <u>\$ 79,492</u> |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |

ICR Water Users Association
Test Year Ended December 31, 2006
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Settlement Schedule C-2
Page 4
Witness: Bourassa

| Line No. | | |
|-------------|--|------------|
| 1 | <u>Adjust Property Taxes to Reflect Proposed Revenues:</u> | |
| 2 | | |
| 3 | Adjusted Revenues in year ended 12/31/2006 | \$ 391,146 |
| 4 | Adjusted Revenues in year ended 12/31/2006 | 391,146 |
| 5 | Proposed Revenues | 434,436 |
| 6 | | |
| 7 | Average of three year's of revenue | \$ 405,576 |
| 8 | Average of three year's of revenue, times 2 | \$ 811,151 |
| 9 | Add: | |
| 10 | Construction Work in Progress at 10% | \$ - |
| 11 | Deduct: | |
| 12 | Book Value of Transportation Equipment | - |
| 13 | | |
| 14 | Full Cash Value | \$ 811,151 |
| 15 | Assessment Ratio | 23.50% |
| 16 | Assessed Value | 190,621 |
| 17 | Property Tax Rate | 7.9800% |
| 18 | | |
| 19 | Property Tax | 15,212 |
| 20 | Tax on Parcels | 0 |
| 21 | | |
| 22 | Total Property Tax at Proposed Rates Rebuttal | \$ 15,212 |
| 23 | Property Taxes per Direct Filing | 11,160 |
| 24 | Change in Property Taxes | \$ 4,051 |
| 25 | | |
| 26 | | |
| 27 | Adjustment to Revenues and/or Expenses | \$ 4,051 |
| 28 | | |

ICR Water Users Association
Test Year Ended December 31, 2006
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Settlement Schedule C-2
Page 5
Witness: Bourassa

Line
No.

| | | |
|----|--|-------------------|
| 1 | <u>Proposed Misc. Revenues from Golf Course under Special Contract</u> | |
| 2 | | |
| 3 | Annual Base Charge | \$ 50,000 |
| 4 | Annual Commodity Charge | 125,000 |
| 5 | Total | <u>\$ 175,000</u> |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | Adjustment to Revenues and/or Expenses | <u>\$ 175,000</u> |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |

ICR Water Users Association
Revenue Summary
Test Year Ended December 31, 2006

Exhibit
Settlement Schedule H-1
Page 1
Witness: Bourassa

| Line No. | Customer Classification and/or Meter Size | Total Revenues at Present Rates | Total Revenues at Proposed Rates | Dollar Change | Percent Change | Additional Bills | Addition Gallons |
|----------|---|---------------------------------|----------------------------------|---------------|----------------|------------------|------------------|
| 1 | 5/8 x 3/4 Inch Residential | \$ 148,282 | \$ 174,804 | \$ 26,521 | 17.89% | 51 | 15,439 |
| 2 | 3/4 Inch Residential | - | - | - | 0.00% | - | - |
| 3 | 1 Inch Residential | 15,942 | 18,772 | 2,830 | 17.75% | - | - |
| 4 | 2 Inch Residential | 39,929 | 51,306 | 11,377 | 28.49% | 26 | 113,976 |
| 5 | Construction Water | 417 | 788 | 371 | 88.92% | 17 | 1,508,161 |
| 6 | | - | - | - | | | |
| 7 | | - | - | - | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | Subtotals of Revenues | \$ 204,571 | \$ 245,670 | \$ 41,100 | 20.09% | | |
| 11 | | | | | | | |
| 12 | Other Water Revenues | 53,403 | 176,502 | 123,099 | 230.51% | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | Subtotals of Revenues | \$ 257,974 | \$ 422,173 | \$ 164,199 | 63.65% | | |
| 16 | Revenue Annualizations: | | | | | | |
| 17 | 5/8 Inch Residential | 1,547 | 1,705 | 158 | 10.21% | 51 | 15,439 |
| 18 | 3/4 Inch Residential | - | - | - | 0.00% | - | - |
| 19 | 1 Inch Residential | 1,344 | 1,534 | 191 | 14.18% | 26 | 113,976 |
| 20 | 2 Inch Residential | 6,847 | 8,793 | 1,946 | 28.42% | 17 | 1,508,161 |
| 21 | Construction Water | - | - | - | 0.00% | | |
| 22 | | - | - | - | 0.00% | | |
| 23 | Subtotal Revenue Annualization | 9,738 | 12,032 | 2,295 | 23.57% | 94 | 1,637,576 |
| 24 | | | | | | | |
| 25 | Revenue Reconciliation | | | | 0.00% | | |
| 26 | | | | | | | |
| 27 | Total Revenues Per Bill Count | \$ 267,712 | \$ 434,205 | \$ 166,493 | 62.19% | | |
| 28 | With Annualization | | | | | | |

ICR Water Users Association
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2006

Exhibit
 Settlement Schedule H-2
 Page 1
 Witness: Bourassa

| Line No. | Customer Classification and/or Meter Size | (a) Average Number of Customers at 12/31/2004 | Average Consumption | Revenues | | Proposed Increase | | Percent of Customers |
|----------|---|--|---------------------|---------------|----------------|-------------------|----------------|----------------------|
| | | | | Present Rates | Proposed Rates | Dollar Amount | Percent Amount | |
| 1 | 5/8 x 3/4 Inch Residential | 330 | 7,085 | \$ 37.04 | \$ 40.77 | \$ 4 | 10.09% | 92.56% |
| 2 | 3/4 Inch Residential | - | - | - | - | - | 0.00% | 0.00% |
| 3 | 1 Inch Residential | 18 | 9,470 | 73.72 | 83.64 | 10 | 13.46% | 5.01% |
| 4 | 2 Inch Residential | 9 | 82,182 | 387.31 | 489.71 | 102 | 26.44% | 2.41% |
| 5 | Construction Water | 0 | 149,000 | 417.20 | 788.17 | 371 | 88.92% | 0.02% |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | Totals | 356 | | | | | | 100.00% |
| 15 | | | | | | | | |
| 16 | Actual Year End Number of Customers: | 364 | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | | | |
| 19 | | | | | | | | |
| 20 | | | | | | | | |
| 21 | | | | | | | | |

ICR Water Users Association
Present and Proposed Rates
Test Year Ended December 31, 2006

Exhibit
Settlement Schedule H-3
Page 1
Witness: Bourassa

| Line No. | Customer Classification and Meter Size (Residential, Commercial, Irrigation) | Present Rates | Proposed Rates (a) | Percent Change |
|----------|--|---------------|--------------------|----------------|
| 1 | Monthly Usage Charge for: | | | |
| 2 | 5/8 x 3/4 Inch | \$ 20.00 | \$ 21.60 | 8.00% |
| 3 | 3/4 Inch | 20.00 | 32.40 | 62.00% |
| 4 | 1 Inch | 50.00 | 54.00 | 8.00% |
| 5 | 1 1/2 Inch | 100.00 | 108.00 | 8.00% |
| 6 | 2 Inch | 160.00 | 172.80 | 8.00% |
| 7 | 3 Inch | 300.00 | 345.60 | 15.20% |
| 8 | 4 Inch | 500.00 | 540.00 | 8.00% |
| 9 | 5 Inch | N/A | N/A | |
| 10 | 6 Inch | 1,000.00 | 1,080.00 | 8.00% |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | Gallons included in Minimum | | | |
| 16 | | 1,000 | | |
| 17 | Tier 1: (Gallon upper limit, up to, but not exceeding) | | | |
| 18 | 5/8 x 3/4 Inch Residential, Commercial, Irrigation | | | |
| 19 | 3/4 Inch Residential, Commercial, Irrigation | | | |
| 20 | 1 Inch Residential, Commercial, Irrigation | | | |
| 21 | 1.5 Inch Residential, Commercial, Irrigation | | | |
| 22 | 2 Inch Residential, Commercial, Irrigation | | | |
| 23 | 3 Inch Residential, Commercial, Irrigation | | | |
| 24 | 4 Inch Residential, Commercial, Irrigation | | | |
| 25 | 6 Inch Residential, Commercial, Irrigation | | | |
| 26 | 8 Inch Residential, Commercial, Irrigation | | | |
| 27 | | | | |
| 28 | Tier 2: (Gallon upper limit, up to, but not exceeding) | | | |
| 29 | 5/8 x 3/4 Inch Residential, Commercial, Irrigation | | | |
| 30 | 3/4 Inch Residential, Commercial, Irrigation | | | |
| 31 | 1 Inch Residential, Commercial, Irrigation | | | |
| 32 | 1.5 Inch Residential, Commercial, Irrigation | | | |
| 33 | 2 Inch Residential, Commercial, Irrigation | | | |
| 34 | 3 Inch Residential, Commercial, Irrigation | | | |
| 35 | 4 Inch Residential, Commercial, Irrigation | | | |
| 36 | 6 Inch Residential, Commercial, Irrigation | | | |
| 37 | 8 Inch Residential, Commercial, Irrigation | | | |
| 38 | | | | |

Please See
Pages 2 and 3

Please See
Pages 2 and 3

ICR Water Users Association
Present and Proposed Rates
Test Year Ended December 31, 2006

| Line No. | Customer Classification and Meter Size | Present Rates | | Proposed Rates | | Percent Change |
|----------|---|---------------|--|----------------|--|----------------|
| | | Present | | Proposed | | |
| 1 | Tier 3: (Gallon upper limit, up to, but not exceeding) | | | | | |
| 2 | 5/8 x 3/4 Inch Residential, Commercial, Irrigation | | | | | |
| 3 | 3/4 Inch Residential, Commercial, Irrigation | | | | | |
| 4 | 1 Inch Residential, Commercial, Irrigation | | | | | |
| 5 | 1.5 Inch Residential, Commercial, Irrigation | | | | | |
| 6 | 2 Inch Residential, Commercial, Irrigation | | | | | |
| 7 | 3 Inch Residential, Commercial, Irrigation | | | | | |
| 8 | 4 Inch Residential, Commercial, Irrigation | | | | | |
| 9 | 6 Inch Residential, Commercial, Irrigation | | | | | |
| 10 | 8 Inch Residential, Commercial, Irrigation | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | Commodity Rates (per 1,000 gallons in excess of gallons in Each Tier) | | | | | |
| 14 | All customer classes except Bulk Water | | | | | |
| 15 | All customer classes except Bulk Water | | | | | |
| 16 | All customer classes except Bulk Water | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | 5/8 and 3/4 Inch Meters | | | | | |
| 24 | Tier 1 | | | | | |
| 25 | Tier 2 | | | | | |
| 26 | Tier 3 | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | 1 Inch Meter | | | | | |
| 30 | Tier 1 | | | | | |
| 31 | Tier 2 | | | | | |
| 32 | Tier 3 | | | | | |
| 33 | | | | | | |
| 34 | | | | | | |

Please See
Pages 2 and 3

| | Present | Proposed | Percent Change |
|--------|---------|----------|----------------|
| Tier 1 | \$ 2.80 | \$ 2.380 | -15.00% |
| Tier 2 | 2.80 | 3.130 | 11.79% |
| Tier 3 | 2.80 | 4.130 | 47.50% |

| Proposed Rates | | Price |
|----------------|--------------|----------|
| From Gallons | To Gallons | |
| - | up to 4,000 | \$ 2.380 |
| 4,000 | up to 9,000 | \$ 3.130 |
| 9,000 | over | \$ 4.130 |
| - | up to 22,500 | \$ 3.130 |
| 22,500 | over | \$ 4.130 |

ICR Water Users Association
Present and Proposed Rates
Test Year Ended December 31, 2006

Exhibit
Settlement Schedule H-3
Page 3
Witness: Bourassa

| Line No. | Customer Classification and Meter Size | Proposed Rates | | | |
|----------|--|----------------|------------|----------------|--|
| | | From Gallons | To Gallons | Percent Change | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | 1.5 Inch Meter | | | | |
| 4 | Tier 1 | | | | |
| 5 | Tier 2 | | | | |
| 6 | Tier 3 | | | | |
| 7 | | | | | |
| 8 | 2 Inch Meter | | | | |
| 9 | Tier 1 | | | | |
| 10 | Tier 2 | | | | |
| 11 | Tier 3 | | | | |
| 12 | | | | | |
| 13 | 3 Inch Meter | | | | |
| 14 | Tier 1 | | | | |
| 15 | Tier 2 | | | | |
| 16 | Tier 3 | | | | |
| 17 | | | | | |
| 18 | 4 Inch Meter | | | | |
| 19 | Tier 1 | | | | |
| 20 | Tier 2 | | | | |
| 21 | Tier 3 | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | 6 Inch Meter | | | | |
| 25 | Tier 1 | | | | |
| 26 | Tier 2 | | | | |
| 27 | Tier 3 | | | | |
| 28 | | | | | |
| 29 | Constuction Water | | | | |

(100/20)*(4,000) =
(100/20)*(9,000) =

Average Usage
(160/20)*(4,000) =
(160/20)*(9,000) =

(320/20)*(4,000) =
(320/20)*(9,000) =

(500/20)*(4,000) =
(500/20)*(9,000) =

(1000/20)*(4,000) =
(1000/20)*(9,000) =

Average Usage

149,000 All Gallons No Tariff

45,000 \$ 3.130
\$ 4.130

72,000 \$ 3.130
\$ 4.130

144,000 \$ 3.130
\$ 4.130

225,000 \$ 3.130
\$ 4.130

450,000 \$ 3.130
\$ 4.130

\$ 4.130

ICR Water Users Association
Present and Proposed Rates
Test Year Ended December 31, 2006

Exhibit
Schedule H-3
Page 4
Witness: Bourassa

| Line No. | Meter and Service Line Charges | Present | Proposed | Total | Proposed |
|----------|--------------------------------|---------------------|---------------------------|---------------------|--------------|
| | | Service Line Charge | Meter Installation Charge | Service Line Charge | Total Charge |
| 1 | 5/8 x 3/4 Inch | \$ 250.00 | \$ 385.00 | \$ 635.00 | \$ 635.00 |
| 2 | 3/4 Inch | 250.00 | 385.00 | 635.00 | 635.00 |
| 3 | 1 Inch | 300.00 | 435.00 | 735.00 | 735.00 |
| 4 | 1 1/2 Inch | 450.00 | 470.00 | 920.00 | 920.00 |
| 5 | 2 Inch Turbo | 625.00 | 630.00 | 1,255.00 | 1,255.00 |
| 6 | 2 Inch Compound | 625.00 | 630.00 | 1,255.00 | 1,255.00 |
| 7 | 3 Inch Turbo | 825.00 | 805.00 | 1,630.00 | 1,630.00 |
| 8 | 3 Inch Compound | 825.00 | 845.00 | 1,670.00 | 1,670.00 |
| 9 | 4 Inch Turbo | 1,450.00 | 1,170.00 | 2,620.00 | 2,620.00 |
| 10 | 4 Inch Compound | 1,450.00 | 1,230.00 | 2,680.00 | 2,680.00 |
| 11 | 6 Inch Turbo | 3,100.00 | 1,730.00 | 4,830.00 | 4,830.00 |
| 12 | 6 Inch Compound | 3,100.00 | 1,770.00 | 4,870.00 | 4,870.00 |
| 13 | 8 Inch | NA | At Cost | At Cost | At Cost |
| 14 | 10 Inch | NA | At Cost | At Cost | At Cost |
| 15 | 12 Inch | NA | At Cost | At Cost | At Cost |

Other Charges:

| | |
|---------------------------------------|----------|
| Establishment | \$ 25.00 |
| Establishment (After Hours) | \$ 50.00 |
| Reconnection (Delinquent) | \$ 20.00 |
| Reconnection (Delinquent) after hours | N/A |
| Meter Test | \$ 20.00 |
| Deposit | PER RULE |
| Deposit Interest | PER RULE |
| Re-establishment (Within 12 months) | PER RULE |
| NSF Check | \$ 15.00 |
| Deferred Payment | 1.5% |
| Meter Re-read | \$ 10.00 |
| Late Fee | (a) |

| |
|----------|
| \$ 25.00 |
| \$ 50.00 |
| \$ 20.00 |
| \$ 40.00 |
| \$ 20.00 |
| PER RULE |
| 6.00% |
| PER RULE |
| \$ 15.00 |
| 1.5% |
| \$ 10.00 |
| (a) |

| | |
|-----------------------------|-----------------|
| Establishment | (R14-2-403.D.1) |
| Establishment (After Hours) | (R14-2-403.D.2) |
| Meter Test | (R14-2-408.F) |
| Deposit | (R14-2-403.B) |
| Deposit Interest | (R14-2-403.B.3) |
| Re-establishment | (R14-2-403.D.1) |
| NSF Check | (R14-2-409.F.1) |
| Deferred Payment | (R14-2-409.G.6) |
| Meter Re-read | (R14-2-408.C.2) |

ICR Water Users Association
 Bill Comparison of Present and Proposed Rates
 Customer Classification 5/8 Inch Meter
 Test Year Ended December 31, 2006
 (Excludes all Revenue Related Taxes)

Exhibit
 Settlement Schedule H-4
 Page 1
 Witness: Bourassa

| <u>Usage</u> | <u>Present</u> | <u>Proposed</u> | <u>Dollar</u> | <u>Percent</u> |
|--------------|----------------|-----------------|-----------------|-----------------|
| | <u>Bill</u> | <u>Bill</u> | <u>Increase</u> | <u>Increase</u> |
| - | \$ 20.00 | \$ 21.60 | \$ 1.60 | 8.00% |
| 1,000 | 20.00 | 23.98 | \$ 3.98 | 19.90% |
| 2,000 | 22.80 | 26.36 | \$ 3.56 | 15.61% |
| 3,000 | 25.60 | 28.74 | \$ 3.14 | 12.27% |
| 4,000 | 28.40 | 31.12 | \$ 2.72 | 9.58% |
| 5,000 | 31.20 | 34.25 | \$ 3.05 | 9.78% |
| 6,000 | 34.00 | 37.38 | \$ 3.38 | 9.94% |
| 7,000 | 36.80 | 40.51 | \$ 3.71 | 10.08% |
| 8,000 | 39.60 | 43.64 | \$ 4.04 | 10.20% |
| 9,000 | 42.40 | 46.77 | \$ 4.37 | 10.31% |
| 10,000 | 45.20 | 50.90 | \$ 5.70 | 12.61% |
| 12,000 | 50.80 | 59.16 | \$ 8.36 | 16.46% |
| 14,000 | 56.40 | 67.42 | \$ 11.02 | 19.54% |
| 16,000 | 62.00 | 75.68 | \$ 13.68 | 22.06% |
| 18,000 | 67.60 | 83.94 | \$ 16.34 | 24.17% |
| 20,000 | 73.20 | 92.20 | \$ 19.00 | 25.96% |
| 25,000 | 87.20 | 112.85 | \$ 25.65 | 29.42% |
| 30,000 | 101.20 | 133.50 | \$ 32.30 | 31.92% |
| 35,000 | 115.20 | 154.15 | \$ 38.95 | 33.81% |
| 40,000 | 129.20 | 174.80 | \$ 45.60 | 35.29% |
| 45,000 | 143.20 | 195.45 | \$ 52.25 | 36.49% |
| 50,000 | 157.20 | 216.10 | \$ 58.90 | 37.47% |
| 60,000 | 185.20 | 257.40 | \$ 72.20 | 38.98% |
| 70,000 | 213.20 | 298.70 | \$ 85.50 | 40.10% |
| 80,000 | 241.20 | 340.00 | \$ 98.80 | 40.96% |
| 90,000 | 269.20 | 381.30 | \$ 112.10 | 41.64% |
| 100,000 | 297.20 | 422.60 | \$ 125.40 | 42.19% |

Present Rates:

Monthly Minimum: \$ 20.00
 Gallons in Minimum 1,000
 Charge Per 1,000 Gallons \$ 2.80

Proposed Rates:

Monthly Minimum: \$ 21.60
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 4,000 \$ 2.380
 Up to 9,000 \$ 3.130
 Over 9,000 \$ 4.130

Average Usage

7,085 \$ 37.04 \$ 40.77 \$ 3.74 10.09%

Median Usage

4,500 \$ 29.80 \$ 32.69 \$ 2.89 9.68%

ICR Water Users Association
 Bill Comparison of Present and Proposed Rates
 Customer Classification 1 Inch Meter
 Test Year Ended December 31, 2006
 (Excludes all Revenue Related Taxes)

Exhibit
 Settlement Schedule H-4
 Page 2
 Witness: Bourassa

| <u>Usage</u> | <u>Present</u> <u>Bill</u> | <u>Proposed</u> <u>Bill</u> | <u>Dollar</u> <u>Increase</u> | <u>Percent</u> <u>Increase</u> |
|--------------|-------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| - | \$ 50.00 | \$ 54.00 | \$ 4.00 | 8.00% |
| 1,000 | 50.00 | 57.13 | \$ 7.13 | 14.26% |
| 2,000 | 52.80 | 60.26 | \$ 7.46 | 14.13% |
| 3,000 | 55.60 | 63.39 | \$ 7.79 | 14.01% |
| 4,000 | 58.40 | 66.52 | \$ 8.12 | 13.90% |
| 5,000 | 61.20 | 69.65 | \$ 8.45 | 13.81% |
| 6,000 | 64.00 | 72.78 | \$ 8.78 | 13.72% |
| 7,000 | 66.80 | 75.91 | \$ 9.11 | 13.64% |
| 8,000 | 69.60 | 79.04 | \$ 9.44 | 13.56% |
| 9,000 | 72.40 | 82.17 | \$ 9.77 | 13.49% |
| 10,000 | 75.20 | 85.30 | \$ 10.10 | 13.43% |
| 12,000 | 80.80 | 91.56 | \$ 10.76 | 13.32% |
| 14,000 | 86.40 | 97.82 | \$ 11.42 | 13.22% |
| 16,000 | 92.00 | 104.08 | \$ 12.08 | 13.13% |
| 18,000 | 97.60 | 110.34 | \$ 12.74 | 13.05% |
| 20,000 | 103.20 | 116.60 | \$ 13.40 | 12.98% |
| 25,000 | 117.20 | 134.75 | \$ 17.55 | 14.97% |
| 30,000 | 131.20 | 155.40 | \$ 24.20 | 18.45% |
| 35,000 | 145.20 | 176.05 | \$ 30.85 | 21.25% |
| 40,000 | 159.20 | 196.70 | \$ 37.50 | 23.56% |
| 45,000 | 173.20 | 217.35 | \$ 44.15 | 25.49% |
| 50,000 | 187.20 | 238.00 | \$ 50.80 | 27.14% |
| 60,000 | 215.20 | 279.30 | \$ 64.10 | 29.79% |
| 70,000 | 243.20 | 320.60 | \$ 77.40 | 31.83% |
| 80,000 | 271.20 | 361.90 | \$ 90.70 | 33.44% |
| 90,000 | 299.20 | 403.20 | \$ 104.00 | 34.76% |
| 100,000 | 327.20 | 444.50 | \$ 117.30 | 35.85% |

Present Rates:

| | |
|--------------------------|----------|
| Monthly Minimum: | \$ 50.00 |
| Gallons in Minimum | 1,000 |
| Charge Per 1,000 Gallons | |
| All gallons | \$ 2.80 |

Proposed Rates:

| | |
|--------------------------|-----------------|
| Monthly Minimum: | \$ 54.00 |
| Gallons in Minimum | - |
| Charge Per 1,000 Gallons | |
| Up to | 22,500 \$ 3.130 |
| Over | 22,500 \$ 4.130 |

Average Usage

9,470 \$ 73.72 \$ 83.64 \$ 9.93 13.46%

Median Usage

1,500 \$ 51.40 \$ 58.70 \$ 7.30 14.19%

ICR Water Users Association
 Bill Comparison of Present and Proposed Rates
 Customer Classification 2 Inch Meter
 Test Year Ended December 31, 2006
 (Excludes all Revenue Related Taxes)

Exhibit
 Settlement Schedule H-4
 Page 3
 Witness: Bourassa

| <u>Usage</u> | <u>Present</u> <u>Bill</u> | <u>Proposed</u> <u>Bill</u> | <u>Dollar</u> <u>Increase</u> | <u>Percent</u> <u>Increase</u> |
|--------------|-------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| - | \$ 160.00 | \$ 172.80 | \$ 12.80 | 8.00% |
| 1,000 | 160.00 | 175.93 | \$ 15.93 | 9.96% |
| 2,000 | 162.80 | 179.06 | \$ 16.26 | 9.99% |
| 3,000 | 165.60 | 182.19 | \$ 16.59 | 10.02% |
| 4,000 | 168.40 | 185.32 | \$ 16.92 | 10.05% |
| 5,000 | 171.20 | 188.45 | \$ 17.25 | 10.08% |
| 6,000 | 174.00 | 191.58 | \$ 17.58 | 10.10% |
| 7,000 | 176.80 | 194.71 | \$ 17.91 | 10.13% |
| 8,000 | 179.60 | 197.84 | \$ 18.24 | 10.16% |
| 9,000 | 182.40 | 200.97 | \$ 18.57 | 10.18% |
| 10,000 | 185.20 | 204.10 | \$ 18.90 | 10.21% |
| 12,000 | 190.80 | 210.36 | \$ 19.56 | 10.25% |
| 14,000 | 196.40 | 216.62 | \$ 20.22 | 10.30% |
| 16,000 | 202.00 | 222.88 | \$ 20.88 | 10.34% |
| 18,000 | 207.60 | 229.14 | \$ 21.54 | 10.38% |
| 20,000 | 213.20 | 235.40 | \$ 22.20 | 10.41% |
| 25,000 | 227.20 | 253.55 | \$ 26.35 | 11.60% |
| 30,000 | 241.20 | 274.20 | \$ 33.00 | 13.68% |
| 35,000 | 255.20 | 294.85 | \$ 39.65 | 15.54% |
| 40,000 | 269.20 | 315.50 | \$ 46.30 | 17.20% |
| 45,000 | 283.20 | 336.15 | \$ 52.95 | 18.70% |
| 50,000 | 297.20 | 356.80 | \$ 59.60 | 20.05% |
| 60,000 | 325.20 | 398.10 | \$ 72.90 | 22.42% |
| 70,000 | 353.20 | 439.40 | \$ 86.20 | 24.41% |
| 80,000 | 381.20 | 480.70 | \$ 99.50 | 26.10% |
| 90,000 | 409.20 | 522.00 | \$ 112.80 | 27.57% |
| 100,000 | 437.20 | 563.30 | \$ 126.10 | 28.84% |
| 150,000 | 577.20 | 769.80 | \$ 192.60 | 33.37% |
| 200,000 | 717.20 | 976.30 | \$ 259.10 | 36.13% |
| 250,000 | 857.20 | 1,182.80 | \$ 325.60 | 37.98% |
| 300,000 | 997.20 | 1,389.30 | \$ 392.10 | 39.32% |
| 350,000 | 1,137.20 | 1,595.80 | \$ 458.60 | 40.33% |
| 400,000 | 1,277.20 | 1,802.30 | \$ 525.10 | 41.11% |
| 450,000 | 1,417.20 | 2,008.80 | \$ 591.60 | 41.74% |
| 500,000 | 1,557.20 | 2,215.30 | \$ 658.10 | 42.26% |

Present Rates:

| | |
|--------------------------|-----------|
| Monthly Minimum: | \$ 160.00 |
| Gallons in Minimum | 1,000 |
| Charge Per 1,000 Gallons | |
| All Gallons | \$ 2.80 |

Proposed Rates:

| | |
|--------------------------|-----------------|
| Monthly Minimum: | \$ 172.80 |
| Gallons in Minimum | - |
| Charge Per 1,000 Gallons | |
| Up to | 22,500 \$ 3.130 |
| Over | 22,500 \$ 4.130 |

| | | | | |
|---------------|-----------|-----------|-----------|--------|
| Average Usage | | | | |
| 82,182 | \$ 387.31 | \$ 489.71 | \$ 102.40 | 26.44% |
| Median Usage | | | | |
| 22,500 | \$ 220.20 | \$ 243.23 | \$ 23.03 | 10.46% |

ICR Water Users Association
 Bill Comparison of Present and Proposed Rates
 Customer Classification Construction Water
 Test Year Ended December 31, 2006
 (Excludes all Revenue Related Taxes)

Exhibit
 Settlement Schedule H-4
 Page 4
 Witness: Bourassa

| <u>Usage</u> | <u>Present</u> <u>Bill</u> | <u>Proposed</u> <u>Bill</u> | <u>Dollar</u> <u>Increase</u> | <u>Percent</u> <u>Increase</u> |
|--------------|-------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| - | \$ - | \$ 172.80 | \$ 172.80 | 0.00% |
| 1,000 | 2.80 | 176.93 | 174.13 | 6218.93% |
| 2,000 | 5.60 | 181.06 | 175.46 | 3133.21% |
| 3,000 | 8.40 | 185.19 | 176.79 | 2104.64% |
| 4,000 | 11.20 | 189.32 | 178.12 | 1590.36% |
| 5,000 | 14.00 | 193.45 | 179.45 | 1281.79% |
| 6,000 | 16.80 | 197.58 | 180.78 | 1076.07% |
| 7,000 | 19.60 | 201.71 | 182.11 | 929.13% |
| 8,000 | 22.40 | 205.84 | 183.44 | 818.93% |
| 9,000 | 25.20 | 209.97 | 184.77 | 733.21% |
| 10,000 | 28.00 | 214.10 | 186.10 | 664.64% |
| 12,000 | 33.60 | 222.36 | 188.76 | 561.79% |
| 14,000 | 39.20 | 230.62 | 191.42 | 488.32% |
| 16,000 | 44.80 | 238.88 | 194.08 | 433.21% |
| 18,000 | 50.40 | 247.14 | 196.74 | 390.36% |
| 20,000 | 56.00 | 255.40 | 199.40 | 356.07% |
| 25,000 | 70.00 | 276.05 | 206.05 | 294.36% |
| 30,000 | 84.00 | 296.70 | 212.70 | 253.21% |
| 35,000 | 98.00 | 317.35 | 219.35 | 223.83% |
| 40,000 | 112.00 | 338.00 | 226.00 | 201.79% |
| 45,000 | 126.00 | 358.65 | 232.65 | 184.64% |
| 50,000 | 140.00 | 379.30 | 239.30 | 170.93% |
| 60,000 | 168.00 | 420.60 | 252.60 | 150.36% |
| 70,000 | 196.00 | 461.90 | 265.90 | 135.66% |
| 80,000 | 224.00 | 503.20 | 279.20 | 124.64% |
| 90,000 | 252.00 | 544.50 | 292.50 | 116.07% |
| 100,000 | 280.00 | 585.80 | 305.80 | 109.21% |

| | | | | |
|---------------|-----------|-----------|-----------|---------|
| Average Usage | | | | |
| 149,000 | \$ 417.20 | \$ 788.17 | \$ 370.97 | 88.92% |
| Median Usage | | | | |
| 74,500 | \$ 208.60 | \$ 480.49 | \$ 271.89 | 130.34% |

Present Rates:

Monthly Minimum: \$ -
 Gallons in Minimum
 Charge Per 1,000 Gallons \$ 2.80

Proposed Rates:

Monthly Minimum: \$ 172.80
 Gallons in Minimum -
 Charge Per 1,000 Gallons \$ 4.130